

AMENDING THE ACT TO PROVIDE FOR THE LEASING OF  
COAL LANDS IN THE TERRITORY OF ALASKA

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DECEMBER 1 (legislative day, NOVEMBER 18), 1943.—Ordered to be printed

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MR. HATCH, from the Committee on Public Lands and Surveys,  
submitted the following

## REPORT

[To accompany H. R. 3428]

The Senate Committee on Public Lands and Surveys, to whom was referred the bill (H. R. 3428) to amend sections 6, 7, and 8 of the act entitled "An act to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes," approved October 20, 1914 (38 Stat. 741, 743; 48 U. S. C., secs. 440, 441, 442), having considered the same report favorably thereon without amendment and with the recommendation that it do pass.

An explanation of the bill, as carried in the report of the House Committee on the Public Lands, is hereinbelow set forth in full and made a part of this report:

The law governing the leasing of Alaska coal lands now forbids any person, association, or corporation from taking or holding any interest, directly or indirectly, in more than one lease, whether such lease is for a subdivision of 40 acres or for a maximum area of 2,560 acres. No matter how small the area of the lease, the lessee is not allowed to hold an interest in another coal lease in Alaska. This limitation has tended to discourage investments in coal-mining operations and is thus retarding needed development of Alaska coal. This bill would liberalize the present law by permitting an individual, association, or corporation to hold more than one lease provided the aggregate holdings, direct or indirect, do not exceed the present maximum of 2,560 acres. In this way, the incentive to develop Alaska coal will be increased while protection against monopoly is retained.

This legislation was proposed by the Department of the Interior and is explained in detail by a letter from the Secretary of the Interior to the Speaker, dated May 6, 1943. The letter is as follows and is hereby made a part of this report:

MAY 6, 1943.

HON. SAM RAYBURN,  
*Speaker of the House of Representatives,*  
*Washington, D. C.*

MY DEAR MR. SPEAKER: I enclose herewith for consideration, and for introduction if you deem proper, the draft of a bill to amend sections 6, 7, and 8 of the act approved October 20, 1914 (38 Stat. 743; 48 U. S. C., secs. 440, 441, 442) entitled "An act to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes."

## 2 AMEND ACT TO PROVIDE FOR LEASING ALASKA COAL LANDS

The present section 6 provides that each lease issued under the act shall be for lands not exceeding in area 2,560 acres, described by the subdivisions of the survey, and that no person, association, or corporation shall take or hold any interest, as a stockholder or otherwise, in more than one such lease. Section 7 provides that the holder of an interest in more than one lease issued under the act by stock ownership or otherwise is guilty of a felony and subject to imprisonment for a term of not exceeding 3 years and a fine not exceeding \$1,000. Section 8 provides that any director, trustee, officer, or agent of any corporation holding any interest in such a lease who shall, on behalf of such corporation, act in the purchase of any interest in another lease, or who shall knowingly act on behalf of such corporation in the sale or transfer of any such interest in any lease held by such corporation to any corporation or individual holding any interest in any such lease shall likewise be guilty of a felony and subject to the same penalty.

The provisions cited limit an individual, association, or corporation to an interest, held either directly or indirectly, in one coal lease, whether the lease is for a subdivision of 40 acres or for a larger area not exceeding 2,560 acres. No matter how small the area of the lease, the lessee is not allowed to hold an interest in another lease anywhere in Alaska.

The suggested amendment of the law so as to permit an individual, association, or corporation to hold more than one lease provided the aggregate holdings do not exceed 2,560 acres, the maximum area that may be embraced in a single lease under the act, would not foster monopoly, and the coal industry and the interest of the Government in the administration and conservation of the Alaska coal deposits would be amply protected.

The limitation fixed by the act tends to discourage investments in coal-mining operations and thus retard needed development of the Alaska coal. If the restrictive provisions are liberalized, there is reason to believe that the leases offered at competitive bidding would be sold for higher bonuses.

The proposed amendment, if adopted, would substantially conform the provisions of the Coal Leasing Act in Alaska to the provisions of the General Leasing Act of February 25, 1920 (41 Stat. 437), in force in the United States proper with respect to acreage limitation in coal leases.

It is requested that the proposed bill be submitted to the United States House of Representatives for appropriate action.

The Director, Bureau of the Budget, has advised me that there is no objection to the proposed legislation.

Sincerely yours,

HAROLD L. ICKES,  
Secretary of the Interior.

Pursuant to the provisions of clause 2a, rule XIII, proposed changes in existing law are indicated below, with matter proposed to be omitted shown in black brackets and new matter proposed to be inserted printed in italics.

Act of October 20, 1914 (38 Stat. 741), as amended:

SEC. 6. That each lease shall be for such leasing block or tract of land as may be offered or applied for, not exceeding in area two thousand five hundred and sixty acres of land, to be described by the subdivisions of the survey, and no person, association, or corporation, except as hereinafter provided, shall [be permitted to] take or hold at any one time leases for more than two thousand five hundred and sixty acres in the aggregate, or take or hold any interest as a member of an association or stockholder [or otherwise in more than one such] of a corporation holding a lease under this Act[, and] if the acreage represented by such indirect interest, or by such indirect interest together with the acreage represented by the direct holding of any lease issued under this Act, exceeds two thousand five hundred and sixty acres in the aggregate. Any interest held in violation of this [proviso] Act shall be forfeited to the United States by appropriate proceedings instituted by the Attorney General for that purpose in any court of competent jurisdiction, except that any [such] ownership [and] or interest [hereby] forbidden in this Act which may be acquired by descent, will, judgment, or decree may be held for two years and not longer, after its acquisition.

SEC. 7. That, except as herein provided, any person who shall purchase, acquire, or hold any interest in [two or more such] leases[, except as herein provided,] issued under this Act, either directly or as a stockholder in a corporation or member of an association holding leases or interests in leases of which he has knowledge, which interest so purchased, acquired, or held shall exceed in the aggregate two thousand

five hundred and sixty acres, or who shall knowingly purchase, acquire, or hold any stock in a corporation [having an interest in two or more such leases,] or shares in an association which holds any interest in leases issued under this Act exceeding two thousand five hundred and sixty acres in the aggregate, or who shall knowingly sell or transfer to one disqualified to purchase, or [except as in this Act specifically provided], disqualified to acquire[,] any such interest, shall be [deemed] guilty of a felony[,] and [upon conviction] shall be [punished by] subject to imprisonment for not more than three years [and by] or a fine not exceeding \$1,000, or both: *Provided*, That any such ownership and interest hereby forbidden which may be acquired by descent, will, judgment, or decree may be held two years after its acquisition and not longer, and in case of minority or other disability such time as the court may decree.

SEC. 8. That any director, trustee, officer, or agent of any corporation or association holding [any] an interest in such [a lease] leases who shall, on behalf of such corporation or association, act in the purchase of any interest in [another] any other lease, which, together with the other holdings of the corporation or association under this Act, exceeds two thousand five hundred and sixty acres in the aggregate, or who shall knowingly act on behalf of such corporation or association in the sale or transfer of any such interest in any lease held by such corporation or association to any corporation, association, or individual holding any interest or interests in any other such [a lease, except as herein provided,] leases which together with the interest sold or transferred exceeds in the aggregate two thousand five hundred and sixty acres, shall be guilty of a felony and shall be subject to imprisonment for [a term of] not [exceeding] more than three years [and] or a fine [of] not exceeding \$1,000, or both.

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